

**MINUTES OF THE COMMITTEE
ON
INSURANCE**

Wednesday, July 13, 2005

10:30 a.m.

Room 521 House Office Building

The House Standing Committee on Insurance was called to order by the Chair.

Members present: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer, Hood, Adamini, Leland, Anderson, Condino, Farrah.

Members absent/excused: Reps. David Law, Wojno.

Representative Emmons moved to approve the minutes of the June 23, 2005 meeting.

Representative Robertson supported the motion. There being no objection, the motion prevailed by unanimous consent.

The Chair laid HB 4742 and HB 4904 before the committee.

HB 4742 Hune	Insurance; no-fault; managed care option for personal injury protection (PIP) coverage; provide for.
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HB 4904 Hildenbrand	Insurance; no-fault; coordinated coverage for personal protection insurance benefits; provide for general amendments.
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Kevin Moody of the Michigan Chiropractic Society testified in opposition to HB 4742. Questions and discussion among committee members followed.

George Sinas of Coalition Protecting Auto No-Fault testified in opposition to the bills. Mr. Sinas also submitted written testimony. Questions and discussion among committee members followed.

Frank Cusmano of the Michigan Orthopedic Society testified in opposition to the bills. Mr. Cusmano also submitted written testimony. Questions and discussion among committee members followed.

Pete Kuhnmuensch of the Insurance Institute of Michigan submitted a card in support of HB 4742, but did not wish to testify.

The following individuals submitted cards in opposition to HB 4742, but did not wish to testify:

Doug Borruso of the Michigan Osteopathic Association.

Nell Kuhnmuensch of Sparrow Health System.

Kristine Dowell of the Michigan Chiropractic Society.

Erik Harris of the Michigan Nurses Association.

The following individuals submitted cards in support of HB 4904, but did not wish to testify:

Pete Kuhnmuensch of the Insurance Institute of Michigan.

Doug Borruso of the Michigan Osteopathic Association.

Erik Harris of the Michigan Nurses Association.

The Chair announced at 11:14 a.m. that the meeting would be recessed at the call of the Chair.

The Chair reconvened the meeting at 11:40 a.m. The attendance roll call was taken to establish a quorum.

The Chair returned to the consideration of HB 4742 and HB 4904.

Representative Robertson moved to adopt substitute (H-1) for HB 4742. Representative Sheen supported the motion. **The motion prevailed 9-4-2.**

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer.

Nays: Reps. Adamini, Anderson, Condino, Farrah.

Pass: Reps. Hood, Leland.

Representative Ball offered the following amendment to substitute (H-1) of HB 4742:

1. Amend page 2, line 16 after “**PERSON**” by inserting “**WHO RESIDES IN AREA WHERE THE MANAGED CARE OPTION IS AVAILABLE AND WHO IS**”.

Representative Ball moved to adopt the amendment. Representative Mortimer supported the motion. **The motion prevailed 15-0-0.**

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer, Hood, Adamini, Leland, Anderson, Condino, Farrah.

Nays: None.

Pass: None.

Representative Ball offered the following amendment to substitute (H-1) of HB 4742:

1. Amend page 2, following line 14, by inserting:
“SEC. 2156. AN AUTOMOBILE INSURER THAT OFFERS A MANAGED CARE OPTION UNDER THIS CHAPTER SHALL ALSO OFFER PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A) THAT ARE NOT SUBJECT TO THE MANAGED CARE OPTION.”.

Representative Ball moved to adopt the amendment. Representative Marleau supported the motion.
The motion prevailed 15-0-0.

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer, Hood, Adamini, Leland, Anderson, Condino, Farrah.

Nays: None.

Pass: None.

Representative Ball offered the following amendment to substitute (H-1) of HB 4742:

1. Amend page 3, following line 14 by inserting:

“SEC. 2167. THE DISCLOSURE STATEMENT UNDER SECTION 2165 SHALL INCLUDE A POSTAL MAILING ADDRESS AND EITHER A TOLL-FREE TELEPHONE NUMBER OR AN INTERNET WEBSITE ADDRESS THAT INSURED OR APPLICANTS FOR INSURANCE MAY WRITE, CALL, OR OTHERWISE ACCESS FOR INFORMATION ON THE MANAGED CARE OPTION.”.

Representative Ball moved to adopt the amendment. Representative Emmons supported the motion.
The motion prevailed 15-0-0.

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer, Hood, Adamini, Leland, Anderson, Condino, Farrah.

Nays: None.

Pass: None.

Representative Ball offered the following amendment to substitute (H-1) of HB 4742:

1. Amend page 1, line 2, after “**MEANS**” by striking out the balance of the section and inserting “**THE MONITORING AND ADJUDICATION OF AN INJURED PERSON’S CARE OR A PREFERRED PROVIDER OR OTHER SIMILAR OPTION.**”.

Representative Ball moved to adopt the amendments. Representative Gaffney supported the motion.
The motion prevailed 15-0-0.

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer, Hood, Adamini, Leland, Anderson, Condino, Farrah.

Nays: None.

Pass: None.

Representative Ball offered the following amendment to substitute (H-1) of HB 4742:

1. Amend page 3, line 10 after “**STATEMENT**” by striking out the balance of the section and inserting “**APPROVED BY THE COMMISSIONER OR A WRITTEN DISCLOSURE STATEMENT THAT DETAILS ALL OF THE FOLLOWING:**

(A) **THE PROVISIONS OF THE MANAGED CARE OPTION.**

(B) **THE ESTIMATED PERCENTAGE OF THE DISCOUNT PROVIDED BY THE MANAGED CARE OPTION.**

(C) **THE DIFFERENCES BETWEEN A MANAGED CARE OPTION UNDER THIS CHAPTER AND PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A) THAT ARE NOT SUBJECT TO THE MANAGED CARE OPTION, INCLUDING ANY PROCEDURAL DIFFERENCES IN SEEKING TREATMENT AND FILING A CLAIM.**

(D) **A LISTING OF THE INDIVIDUALS WHO MAY BE AFFECTED BY THE MANAGED CARE OPTION IN ADDITION TO THE INSURED, HIS OR HER SPOUSE, AND ANY RELATIVE OF EITHER DOMICILED IN THE SAME HOUSEHOLD.**

(E) **THE CONSEQUENCES FOR VIOLATING ANY PROVISIONS OF THE MANAGED CARE OPTION, INCLUDING THE POSSIBILITY OF A CLAIM DENIAL, THE PAYMENT OF A DEDUCTIBLE AND THE AMOUNT OF THAT DEDUCTIBLE, OR ANY ADDITIONAL OUT-OF-POCKET EXPENSES THAT MAY BE INCURRED.**

(F) **A DETAILED EXPLANATION OF WHETHER THE INSURER OFFERS AN OPT-OUT PROVISION THAT WOULD ENABLE THE INSURED TO CHANGE HIS OR HER POLICY FROM A MANAGED CARE OPTION TO PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A) THAT ARE NOT SUBJECT TO THE MANAGED CARE OPTION AND ANY RESTRICTIONS PLACED UPON THE INSURED IN REGARD TO OPTING OUT OF THE MANAGED CARE OPTION.”.**

Representative Ball moved to adopt the amendment. Representative Hildenbrand supported the motion. **The motion prevailed 15-0-0.**

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer, Hood, Adamini, Leland, Anderson, Condino, Farrah.

Nays: None.

Pass: None.

Representative Robertson moved to report HB 4742 with recommendation as amended, as substitute (H-2). Representative Mortimer supported the motion. **The motion prevailed 9-6-0.**

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer.

Nays: Reps. Hood, Adamini, Leland, Anderson, Condino, Farrah.

Pass: None.

Representative Marleau moved to adopt substitute (H-1) for HB 4904. Representative Mortimer

supported the motion. **The motion prevailed 9-6-0.**

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer.

Nays: Reps. Hood, Adamini, Leland, Anderson, Condino, Farrah.

Pass: None.

Representative Hildenbrand moved to report HB 4904 with recommendation as substitute (H-1). Representative Marleau supported the motion. **The motion prevailed 9-6-0.**

FAVORABLE ROLL CALL

Yeas: Reps. Hune, Robertson, Emmons, Gaffney, Sheen, Ball, Hildenbrand, Marleau, Mortimer.

Nays: Reps. Hood, Adamini, Leland, Anderson, Condino, Farrah.

Pass: None.

Representative Emmons moved to excuse the absence of Representatives Law and Wojno. Representative Farrah supported the motion. There being no objection, the motion prevailed by unanimous consent.

There being no further business before the committee, the Chair adjourned the meeting at 11:53 a.m.

Representative Joe Hune, Chair_____

Dan Stump, Committee Clerk
House Insurance Committee, (517) 373-5795